

5. Just Policy
S/D27th July, 1959.COCOM Document 3413.05/2COORDINATING COMMITTEERECORD OF DISCUSSIONONITEM 1305 - ROLLING MILLS23rd July 1959

Present: Canada, Denmark, France, Germany, Italy, Japan, Netherlands,
United Kingdom, United States.

Reference: COCOM 3413.05/1.

1. The CHAIRMAN drew the attention of the Committee to the United Kingdom memorandum proposing the deletion of Item 1305 from the embargo list and invited Delegates to give the preliminary views of their authorities.
2. The UNITED STATES Delegate said that the United Kingdom memorandum was still undergoing very careful study by his authorities. He had no comments to make at this stage beyond noting the good organisation of the memorandum. Paragraph 7, which considered whether or not there was some compelling reason, outside the criteria but related to the agreed purposes of the embargo, for retaining control over this item, indicated an open-minded and common-sense approach. The United States authorities would be able to take a definitive position on this item at the autumn list review.
3. The ITALIAN Delegate stated that the preliminary views of his authorities were favourable to the United Kingdom proposal to delete Item 1305. They had held a similar view for some time and considered that none of the three criteria justified the embargo of this item. In their opinion, the discussion of Item 1305 should take place during the coming list review.
4. The FRENCH Delegate said that the preliminary views of his authorities was that they agreed in principle with the United Kingdom memorandum. They did not consider that Item 1305 conformed to the embargo criteria.
5. The CANADIAN Delegate said that in 1958 his authorities had accepted the present definition only as a compromise. They had not been convinced then and were not convinced now that this item warranted embargo. They were in favour of the United Kingdom deletion proposal.
6. The NETHERLANDS Delegate stated that his authorities had no strong feelings on this question. They would accept the view of the majority of the Committee.
7. The GERMAN Delegate stated that his authorities concurred with the general lines of the United Kingdom memorandum. He had been instructed to support fully the United Kingdom proposal as far as sub-item (c) was concerned. With regard to sub-items (a) and (b), his authorities were inclined to follow the United Kingdom position but were prepared to listen to other arguments which might be advanced. They were willing to participate in a full technical discussion during the list review, at which time they would adopt a final position.

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8. The UNITED KINGDOM Delegate thanked Delegations for the preliminary views they had given. These would be very useful to his authorities, who hoped that the Committee would deal in a substantive way with this matter in advance of the list review, which was not scheduled to begin before the end of October or the beginning of November. Full reasons for the United Kingdom proposal were set out in the memorandum and he hoped that the views expressed on this proposal would keep within the framework of the compliance of Item 1305 with the three embargo criteria.

9. The memorandum emphasised the vast range of uses of rolled steel in a modern industrial nation and stressed that these uses were primarily non-military. It was not possible to quote precise statistics for the production of the embargoed types of mill because the figures available referred to the products themselves, irrespective of the type of mill in which they were made, and some rolled products could be manufactured in non-embargoed plants. The following statistics were nevertheless illustrative of the United Kingdom case. In 1957 the total United Kingdom steel production was approximately 17,000,000 tons. Production of steel strip of all kinds, alloy and non-alloy, cold rolled and hot rolled, amounted to just over 4,000,000 tons. The total of all types of rolled steel used in the United Kingdom for defence purposes (e.g. armour plating, skins for vehicles etc. in 1957 was less than 70,000 tons, i.e. less than 2% of the total rolled steel production. Intelligence estimates showed that the situation in the Soviet Bloc was not very different. The last study made in 1955 estimated that the military consumption of cold rolled steel (produced in mills caught by sub-items (a) and (c)) was less than 3% of the total rolled output. The current estimate was that this consumption had fallen to 1% - 2%, in other words, the overwhelming production was for non-military purposes. It was known that there were at least three mills of the Sendzimir type in the Soviet Bloc. This type produced a very hard and very thin rolled product which might be used for strategic purposes and was fully capable of meeting Soviet requirements of stainless steel for the production of missiles. One relatively inefficient Sendzimir mill could in fact produce four times the amount needed for the Soviet missile programme.

10. The Delegate concluded by saying that his authorities were satisfied that both with reference to the strategic criteria and also on the intrinsic merits of the different embargo types there were no grounds for continuing to control exports of rolling mills to the Bloc. In these circumstances the continuation in force of Item 1305 could only be construed as an effort to impede the development of the Bloc's civilian economy. In the United Kingdom's view such an effort would be in vain since the Bloc had already demonstrated its capacity for rapid economic growth. But in any case it was no part of the Committee's duty to seek to impose an economic blockade on trade between the Free World and the Soviet Bloc. The United Kingdom therefore recommended that Item 1305 should be deleted and hoped that in the discussion which would take place after the recess, any hesitations or doubts which it seemed that certain Delegations might entertain, could be set at rest.

11. The COMMITTEE, after further discussion, agreed that the discussion should begin not earlier than one week before September 28th nor later than one week after that date. It was agreed to fix the date for the beginning of the discussion on September 10th.

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